

## REMARKS

Reconsideration of the present application is respectfully requested.

The presently claimed invention relates to methods and apparatus for selecting a demand-supply scheme, e.g., for making a commodity, in which a supply chain comprises a plurality of demand-supply steps. In accordance with the invention, a first profitability index is calculated for a first version of the supply chain, and a second profitability index is calculated for a second version of the supply chain after making a change in each demand-supply step of the supply chain, and a demand-supply scheme is established by selecting the first or the second calculated version having the highest profitability index.

The second version of the supply chain could be formed, for example, by making a change in predetermined parameters of the demand-supply steps of the supply chain, as recited in independent claims 1 and 8, for example. Such a parameter could be the target amount of stock, for example, as recited in dependent claims 5 and 12.

The present claims stand rejected as obvious over a combination of prior art, i.e., *Lilly et al.* and *Sellers et al.* Of those two documents, only *Sellers et al.* discusses the concept of profitability, and that discussion merely relates to a way of calculating profitability. There is no suggestion of establishing a demand-supply scheme by selecting, from among a first version of a supply chain, and a second version of the supply chain in which a change is made in each demand-supply step thereof, as recited in the present claims.

*Lilly et al.* discloses a system for scheduling a plurality of work orders or operations in a manufacturing facility which takes into account the availability of materials (col. 2, lines 23-27). It can be assumed that an entity using the *Lilly et al.*

system desires to make a profit, but achieving the highest profitability is not discussed in *Lilly et al.*, nor is there disclosed any way of achieving it. *Lilly et al.* seeks to determine the best fit of the operations of each work order in the schedule based upon resource and material availability (col. 2, lines 41-45). Presumably, an entity using the *Lilly et al.* system would utilize a conventional technique (e.g. disclosed by *Sellers et al.*) for determining profitability before or after using the *Lilly et al.* system to provide the most appropriate schedule for the work. There is no motivation for completely eviscerating the *Lilly et al.* invention by changing the overall goal and functioning of the *Lilly et al.* invention by replacing scheduling with profitability as the focus of the system; the most appropriate schedule determined by the *Lilly et al.* system would not necessarily provide the highest profitability. In that regard, *Lilly et al.* would seem to be inconsistent with the presently claimed invention, leading an artisan to avoid it (unless seeking to create a work schedule).

Moreover, there is no disclosure or teaching in *Lilly et al.* or *Sellers et al.* of creating a second version of the supply chain by making a change in each demand-supply step thereof before selecting the first or second version having the highest profitability index.

Accordingly, for the above reasons, it is submitted that independent claims 1, 8, 17, 28 and 40 distinguish patentably over *Lilly et al.* and *Sellers et al.* and allowance of the application is solicited.

Respectfully submitted,

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